

Business Case



For Integrated Driver License Issuance System

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Table of Contents

1	Executive Summary	1
2	Project Purpose	3
3	Current Status.....	6
4	Alternatives Considered.....	7
5	Recommended Alternative.....	8
6	Schedule.....	10
7	Cost Estimate	11
8	Cost/Benefit Analysis	12
9	Risk Assessment	13
10	Verification	14

1 Executive Summary

Title 61 Chapter 5 of the Montana Code Annotated requires the Department of Justice (DOJ) to provide driver's license services. In order to effectively and efficiently provide these services DOJ utilizes information technology in a cost-effective, reliable manner.

The DOJ prides itself on excellent customer service. However, Montana is experiencing tremendous population growth and the current driver license system is unable to contend with this increase demand for timely service. The existing driver license card production system is 7-years old. It is not compatible with the Montana Enhanced Registration and Licensing Network (MERLIN). It does not integrate scheduling, testing, document authentication and biometrics with the card production.

Driver licensing operations and support services are currently conducted at 21 permanent full-service and 25 part-time driver services stations located throughout Montana. Part-time stations are served by staff traveling out of the full-service stations. Both full-service and part-time driver services stations are equipped with direct online network connections to SummitNet and the current driver license application which is known as the Driver Control System.

There are 667,505 active non-commercial driver license holders and 66,174 commercial driver license (CDL) holders in Montana. The inactive or historical records bring the total number of driver accounts maintained on the Driver Control System to approximately 1.4 million. About 180,000 driver licenses and state issued identification cards are produced annually in Montana. Each of these cards represents a customer that we assist through the full-service and part-time driver services stations. It is anticipated the number of driver license and identification cards produced each year in Montana will increase to 200,000 by 2009.

DOJ is seeking a contractor to provide an integrated driver license issuance system that includes all components (hardware, software and card production services) for appointment scheduling, automated driver license knowledge testing, digital driver license and identification card production, imaged-based facial recognition services and authenticating supporting documents provided by customers. In order to provide the best service to our customers the new system must integrate components into a functional, inter-operative driver license issuance system that will support and enhance DOJ operations.

DOJ will utilize the Request for Proposal (RFP) purchasing mechanism to acquire an Integrated Driver License Issuance System. To facilitate the long-term funding strategies that have been adopted by DOJ, the RFP will require a "cost per card basis" response to estimate, schedule and amortize the dollar amounts that will be paid by DOJ for all aspects of system acquisition, set-up, implementation and ongoing production. The beauty of the cost per card approach is that the issuance of the cards will not require additional taxes or fees to be proposed. The costs of the new system will be covered by the cost of the cards themselves. However, alternative funding strategies will be considered and evaluated.

The primary goal of this project is to improve the customer service associated with all aspects of driver license services. Specifically we want to reduce the wait times at driver services stations from two hours to 30 minutes. We can mitigate long lines and best use staff by evening out the flow

of customers through exam scheduling. Another goal is to reduce fraudulent issuance by implementing a state ID system that is compliant with the federal laws approved by Montana. We intend to reallocate DOJ employees and resources more efficiently, stabilize agency growth, improve customer services and drastically reduce wait times all while minimizing the potential for fraud and ID theft.

At an estimated cost of \$8.00 per card for a complete solution, DOJ anticipates the benefits to be a system that will integrate with MERLIN while providing the appointment scheduling (APT), knowledge testing (ATS), document authentication (DAS), facial recognition (FRS) and card production (CPS) into one system. The current card production system will not integrate with MERLIN and does not include the additional required functionality.

There are several risks with this project, mostly associated with not completing the project. If DOJ is unable to successfully award a contract by July 1, 2007 there will not be a working card production system when the MERLIN Driver System goes into production in the spring of 2008.

DOJ will declare this project a success when we are able to limit the time our customers wait to renew their driver license, we are able to verify you are who you say you are and we can assess that you have the skills to legally operate a motor vehicle.

This project will also be successful when DOJ is able to positively tell you are who you say you are, and that you have the skills to operate a motor vehicle.

2 Project Purpose

The Department of Justice Motor Vehicle Division (MVD) provides a wide range of services relating to driving in Montana. The division licenses both individual and commercial drivers; administers all driver license records and actions, including court-ordered suspensions and revocations; issues motor vehicle registrations and titles; licenses and controls motor vehicle dealers; inspects and verifies vehicle identification numbers; and provides training for driver instructors and examiners, county treasurers, vehicle dealers and financial institutions.

The purpose of the proposed Integrated Driver License Issuance System is to provide the citizens of Montana with an integrated driver license and identification system. This new system will replace the current legacy driver license system and automated testing system, as well as add components for appointment scheduling, digital driver license/ID cards, imaged-based facial recognition and an automated method of authenticating documents provided by the customers.

Montana is experiencing tremendous population growth and the current driver license system is unable to contend with this growth. The existing driver license card production system is seven years old. The system must also easily integrate with the new Montana Enhanced Registration and Licensing Information Network (MERLIN) system and integrate scheduling, testing, document authentication and biometrics with the card production.

DOJ's mission is to protect Montana citizens and improve public safety through leadership, advocacy, education, regulation and enforcement. This project directly supports the agency mission by providing a system that ensures the people purchasing driver licenses are capable of operating a motor vehicle and they are who they say they are. It also supports DOJ's business objectives by enabling the department to fulfill several legislatively mandated requirements:

- Insure that only qualified drivers may legally operate at motor vehicle
- Test driver license applicants
- Issue and renew driver licenses and identification cards
- Provide driver training and examination

The primary goal of this project is to improve the customer service associated with all aspects of driver license services. Specifically, we want to reduce wait times at driver services stations. We can mitigate long lines and best use staff by evening out the flow of customers through exam scheduling. Another goal is to reduce fraudulent issuance by implementing a state ID system that is compliant with the federal laws approved by Montana. We intend to reallocate DOJ employees and resources more efficiently, stabilize agency growth, improve customer services and drastically reduce wait times while minimizing the potential for fraud and ID theft.

Alignment with DOJ Agency IT Plan

This project aligns with the following goals from the 2006 Agency IT Plan:

- ITG1: Continue to Improve & Expand IT Services - DOJ will improve and expand IT services provided to its customers through collaboration, innovation and timely, cost-effective solutions that best fit business needs.

- ITG2: Provide timely, secure, reliable information in support of Public Safety - DOJ will make sure that public safety organizations have timely and accurate information
- ITG5: Individual Privacy & Information Security - DOJ will continue to ensure the confidentiality of data and protect individuals' identity

DOJ has provided an update to the Initiatives section of the 2006 Agency IT Plan to include this project. Here is the description from Initiative number ITI-6.

MVD needs to upgrade the driver license card production, scheduling and testing hardware and software. This system needs to easily integrate with MERLIN as well as with Web Services for scheduling. It also needs to be able to provide Law Enforcement with critical information on a real-time basis.

MVD will utilize a vendor selected through the RFP process to provide a functional, inter-operative driver license issuance system that includes integrated components for appointment scheduling, driver license knowledge testing, digital driver license and identification card production, image-based facial recognition service and a functional method of authenticating supporting documents provided by customers.

No other agency produces driver licenses and identification cards to the general public. DOJ is the only agency responsible for carrying out the motor vehicle laws as they relate to the issuance of driver licenses and state ID cards.

DOJ is also responsible for preventing fraudulent issuance. The new Montana "legal presence" requirements and the TSA CDL Hazmat criminal background check are of great concern. In October 2006, MVD provide a list of nine drivers with "impossible Social Security Numbers" to our Division of Criminal Investigation. These drivers were all issued new drivers licenses in the preceding year. We need one-to-one facial comparison capability to help prevent these fraud attempts. Both congress and state legislators are paying close attention to how agencies prevent ID theft and provide Social Security Number security. Biometric features will promote this as we cannot afford to have our examiners comparing photos or verifying documents by hand or eye.

Finally it is extremely important to customer service and information sharing to have a system that will integrate with MERLIN.

Project Goals

This project has two primary goals.

1. Improve customer service, by increasing efficiency and reducing wait time.
2. Comply with state and federal regulations and laws to reduce fraudulent issuance of driver licenses and ID cards.

Ensuring that Goals are Verifiable

DOJ's first goal of improving customer service by increasing efficiency and reducing wait time can be measured by customer satisfaction surveys and observing decreases in the time spent in line.

The second goal of reducing fraudulent issuance will be somewhat harder to measure. However, the new system will more provide more accurate and timely verification of customers. Which will increase the public's confidence that DOJ is doing everything we can to secure the identities of the individuals we provide service to on a daily basis.

Through the use of scheduling services, DOJ will be able to provide excellent customer service by making it more convenient for people to apply for a driver license, take the required exams or renew their driver license. The additional services of document authentication and facial recognition will help to secure their privacy and protect from the fraudulent issuance of a driver license or ID card.

3 Current Status

Today, most of the customers who acquire driver license cards or identification cards are walk-in customers who arrive on an unscheduled basis at a driver services station of their choice where they apply for, take tests when required, and pay the fees for a new or renewed driver license or identification card. Customer appointments are not currently scheduled in advance (Scheduling Software (APT)). Tests, if any, are usually administered manually, only six stations are administering tests electronically, utilizing an automated knowledge testing system (ATS), although the current system is only partially integrated with other aspects of driver licensing and customer management applications required by the Motor Vehicle Division (MVD). The current ATS contract is at its end-of-life. The driver licenses and identification cards are generated using a digital driver licensing system with vendor owned cameras and computer equipment. This digital card production system (CPS) is capable of independently capturing, storing and retrieving photo and signature images in combination with customer demographic information. The digital system provides some security in preventing forgeries and tampering, but it does not meet the requirements of the federal legislation approved by Montana. Digital driver license/identification cards produced by the MVD are centrally issued from a location in Helena, Montana, but the current print farm that produces and issues the cards does not meet the uniform driver license/identification card security standards. MVD is considering the addition of new anti-fraud measures that relate to driver license issuance; automated capabilities for facial image recognition (FRS) and document authentication (DAS).

The current business situation is that people are waiting too long at the driver service stations to complete their transactions. Also, there is no automated process for verifying documents or people. The current card production system is at its end-of-life, and does not allow for advanced security features, such as facial recognition. It also does not have features such as scheduling.

The current technical situation is that the existing systems used for card production and knowledge testing are not integrated with each other or with other DOJ systems such as MERLIN. It would take a tremendous amount of technical resources to modify and upgrade the current systems. The equipment is old and failing, we cannot purchase replacement parts to repair it.

4 Alternatives Considered

A couple of alternatives were considered. One alternative was to work with the current card production vendor and the Department of Administration on expanding the existing contract and wrapping the additional items into the existing contract. After negotiations with the vendor DOJ deemed too expensive for the state to add the integration with MERLIN as well as the additional components.

The second alternative was to seek vendors through the RFP process. The RFP process would enable DOJ to evaluate several vendors and explore best-fit options for Montana that include the integration with MERLIN as well as the additional components.

5 Recommended Alternative

The Department of Justice developed an RFP to help determine the best solution for Montana. The RFP includes requirements for all aspects of driver license and identification card production, including scheduling, testing and security features.

The response being sought in accordance with the RFP must integrate appointment scheduling, automated knowledge testing, digital driver licensing and facial recognition as well as document authentication components into a functional, inter-operative driver license issuance system that will support and enhance MVD operations. The response must address evolving changes to information technology systems, legislative requirements and security standards.

Any integrated system that is proposed must be compatible with American Association of Motor Vehicle Administrators (AAMVA) standards for driver license and identification cards (collectively called DL/ID cards). These standards cover durability, security, image capturing/storing and bar-coding. The integrated system must meet state computer hardware and software standards. The system must communicate seamlessly with the MERLIN, the MVD's central site, all of the permanent full-service and part-time driver services stations, and the server systems utilized to support effective data and information transmission over the established state network.

The data and image files that are created and/or stored by the proposed system must also meet industry standards and be compatible with other platforms. This is important because the development of a newly integrated system of scheduling, testing and driver license issuance will commence during a time period when the MVD still utilizes the legacy system known as the Driver Control System. The Driver Control system is outdated and will be replaced in the spring of 2008.

Montana has made a significant long-term commitment to implementation of the 3M (Archon) computerized driver control system known as the Montana Enhanced Registration and Licensing Information Network (MERLIN). This is a fully integrated and automated electronic data processing system for both vehicles and drivers. The system has already been acquired and is now undergoing intermediate phases of design – development – deployment.

MERLIN is uniquely suited for a modernized program of integrated driver license issuance and driver license support services. MERLIN is a customer-centric system written in MS Visual Studio.net, utilizing web services and an MS SQL database. MERLIN is capable of storing and displaying photographic images in association with a customer record, although the primary image/signature files are expected to be retained and managed on the new DL system. MERLIN Sanction Application Rule (SAR) is a computerized software engine that specifically addresses issues in driver control and other program aspects such as conviction processing, driver license withdrawal and the verification/data exchange standards that are implemented by organizations like AAMVA, Social Security Administration and the Federal Motor Carrier Safety Administration. MERLIN, however, does not provide the card production, automated knowledge testing and scheduling aspects of driver license issuance. However, MERLIN will not serve as a centralized image storage system for purposes of managing the overall image database. The new DL system will be expected to interface with MERLIN for all of the functions requested in the RFP.

Implementation of MERLIN for vehicle registration and titling services (ARTS) is already underway. MERLIN implementation for driver services (ADS) will be completed by March 31, 2008. Both MERLIN and the newly integrated driver license issuance system are expected to “go live” on or about this same date. The Integrated Driver License Issuance System envisioned within the RFP must be capable of effectively utilizing MERLIN as a primary operating platform that will support the business operations of MVD and interact with scheduling software, automated knowledge testing and digital driver license issuance/card production.

The RFP responses will address the features: APT, ATS, CPS, FRS and DAS as they best pertain to serving Montana citizens. We are anticipating responses that will allow us to find the most cost effective solution that provides all of the elements discussed within this Business Case.

6 Schedule

SCHEDULE OF EVENTS

EVENT	DATE
RFP Issue Date	March 9, 2007
Pre-Proposal Conference (Mandatory)	March 28, 2007
Deadline for Receipt of Written Questions	April 6, 2007
Deadline for Posting Written Responses to the State's Website	April 13, 2007
RFP Response Due Date	May 4, 2007
Notification of Offeror Interviews/Product Demonstration	May 18, 2007
Offeror Interviews/Product Demonstrations	June 5 - 7, 2007
Intended Date for Contract Award	July 1, 2007
Offeror begin work with MERLIN Project Team	July 1, 2007
New system integration work	July 1, 2007 – March 31, 2008
New system in production	March 31, 2008

The new system integration work will include the following elements:

- ☐ Timeline and project plan
- ☐ Any remaining analysis effort, including delivery of analysis products
- ☐ Acquisition of required project tools, platforms, licenses
- ☐ Detailed system design, including delivery of design products
- ☐ System development
- ☐ Testing of components and integrated system testing
- ☐ Loading and/or manipulation of an initial data set
- ☐ Development of technical documentation
- ☐ Training for users and support personnel
- ☐ Transition to production operations
- ☐ Reviews and audits

7 Cost Estimate

To facilitate the long-term funding strategies that have been adopted by DOJ, the RFP will require a “cost per card basis” response to estimate, schedule and amortize the dollar amounts that will be paid by DOJ for all aspects of system acquisition, set-up, implementation and ongoing production. The beauty of the cost per card approach is that the issuance of the cards will not require additional taxes or fees to be proposed. The costs of the new system will be covered by the cost of the cards themselves. However, alternative funding strategies will be considered and evaluated.

Based on the General Fund allocations that are anticipated for the Motor Vehicle Division of the Montana Department of Justice and specific legislation proposed in support of integrated driver license issuance, the estimated annual budget for the project described herein is \$1,785,682.

8 Cost/Benefit Analysis

The benefit of having an integrated driver license issuance system with scheduling, testing, card production, facial recognition and document authentication under one contract is that DOJ would have control over one vendor for all aspects of the system. DOJ would only have to facilitate the integration with MERLIN, not separate components as we do now. Another benefit is the cost savings anticipated by requesting the vendor provide the services on a cost per card basis.

The RFP will be an integral tool to determine the costs, therefore providing half of the analysis. Anticipated benefits are described in the following table.

FUNCTIONAL AREA	DIRECT AND INTUITIVE BENEFITS	INDIRECT AND STRATEGIC BENEFITS
MVD – Driver Exam Stations	<input type="checkbox"/> Faster business transactions <input type="checkbox"/> Increased access to information <input type="checkbox"/> Increased data integration across applications <input type="checkbox"/> Fewer errors	<input type="checkbox"/> Stronger relationship with customers <input type="checkbox"/> Less time in line <input type="checkbox"/> Better service <input type="checkbox"/> Enhanced agency reputation
Information Services	<input type="checkbox"/> More effectively integrate systems <input type="checkbox"/> Ease of support	<input type="checkbox"/> Increased system availability <input type="checkbox"/> More satisfied end-users <input type="checkbox"/> Availability of more accurate information to support data analysis activities
Customer Service	<input type="checkbox"/> Reduce manual effort <input type="checkbox"/> Reduce staff or avoid hiring more staff <input type="checkbox"/> Move staff to more value-added jobs	<input type="checkbox"/> Faster, more effective customer support <input type="checkbox"/> Reduced process steps facilitate faster processing of information
Budget & Finance	<input type="checkbox"/> One system on price-per-card basis	<input type="checkbox"/> More accurate budget estimates
Administrative	<input type="checkbox"/> Reduce manual effort of document authentication <input type="checkbox"/> Reduce staff or avoid hiring more staff <input type="checkbox"/> Move staff to more value added jobs	<input type="checkbox"/> Reduce redundancy <input type="checkbox"/> Streamlined time to process information <input type="checkbox"/> Accomplish more without additional hires
Security	<input type="checkbox"/> Process to verify you are who you say you are through facial recognition and document authentication	<input type="checkbox"/> Public safety

9 Risk Assessment

There are several risks with this project, mostly associated with not completing the project. If DOJ is unable to successfully award a contract by July 1, 2007 there will not be a working card production system when MERLIN Driver System goes into production in the spring of 2008. The current card production system will not integrate with MERLIN and it does not include the required functionality.

10 Verification

DOJ will conduct customer satisfaction surveys as well as track the time spent by customers in line to obtain or renew their driver license and/or ID card. We will also continue to assess the impacts of the security features on the fraudulent issuance of driver licenses and ID cards through police reports and investigations into identity theft, etc.